

5 December 1955

MEMORANDUM FOR THE RECORD

SUBJECT: Bonding

1. Discussion was held this morning among [redacted] and [redacted] of the Comptroller's Office and myself in order to arrive at a final recommended format for a position schedule bond for Agency use and to discuss future courses of action.

2. An acceptable format was agreed upon and a copy is attached hereto.

3. The next step should be a discussion with Treasury at which, in addition to discussing any points Treasury may raise, we wish to settle the following points:

(a) Is our bond format acceptable to Treasury?

(b) Will Treasury accept an endorsement or extract from a broader bond covering the seven Agent Cashiers, or will it be necessary that the Agent Cashiers be on a separate bond?

(c) Will Treasury release us from the requirement for bids? If so, must we negotiate with three companies, as is their general rule when advertising is not required, or will it be sufficient if we negotiate with the two companies with whom we now have bonding arrangements?

4. Subsequent to discussion with Treasury, we propose discussions with the two bonding companies with whom we now deal and, if Treasury so requires, with a third company. At that time, we will ask for three bids from each company (four bids, if Treasury requires us to bond the Agent Cashiers separately). These three bids will be for:

(a) Finance Division positions.

(b) Fiscal Division positions.

(c) A combination of the foregoing.

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5. [REDACTED] office will provide a factual statement upon which this Office may base a legal opinion stating that the position schedule lists all Agency personnel whose primary function is disbursement. He will also add a listing of the categories of personnel having disbursing functions whose bonding is considered impractical. His office will also obtain clearance for discussion with top echelon people in the bonding companies to be contacted.

6. In the discussion with the bonding companies, we will also seek to have section 9 provide for automatic coverage in excess of \$5,000 when the new position is similar to one which is bonded at a higher rate.

[REDACTED]
Assistant General Counsel

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Attachment

cc: [REDACTED]

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